"(A) is an officer of the Medical Corps *of the* Army or the Navy or an officer of the Air Force designated as a medical officer; and

"(B) is on active duty under a call or order to active duty for a period of less than one year."

(f) STYLISTIC AMENDMENTS.—Such section is further amended—

(1) by inserting "VARIABLE, ADDITIONAL, AND BOARD CERTIFICATION SPECIAL PAY.—" in subsection (a) after "(a)";

(2) by inserting "INCENTIVE SPECIAL PAY.—" in subsection (b) after "(b)";

(3) by inserting "AGREEMENT.—" in subsection (c) after "(c)";

(4) by inserting "REGULATIONS.—" in subsection (d) after "(d)";

(5) by inserting "FREQUENCY OF PAYMENTS.—" in subsection, (e) after "(e)";

(6) by inserting "REFUND FOR PERIOD OF UNSERVED OBLIGATED SERVICE.—" in subsection (f) after "(f)";

(7) by inserting "DETERMINATION OF CREDITABLE SERVICE.—" in subsection (g) after "(g)";

(8) by inserting "EFFECT OF DISCHARGE IN BANKRUPTCY.—" in subsection (i) after "(i)"; and

(9) by striking out "of this section" and "of this subsection" each place they appear (other than in subsection (g)).

(g) EFFECTIVE DATE.—(1) The amendments made by subsections (a) and (c) shall take effect on January 1, 1990.

37 USC 302 note.

(2) The amendments made by subsections (b) and (d) shall apply to an agreement entered into under section 302(c)(2) of title 37, United States Code, on or after the date of the enactment of this Act.

(3) The amendment made by subsection (e) shall take effect on January 1, 1990, and shall apply to pay periods beginning on or after such date.

SEC. 703. EXTENSION AND EXPANSION OF MEDICAL OFFICER RETENTION BONUS PROGRAM

(a) BONUS AUTHORIZED.—Subsection (a) of section 612 of the National Defense Authorization Act, Fiscal Year 1989 (102 Stat. 1979; 37 U.S.C. 302 note), is amended by striking out "September 30, 1989" in paragraph (1) and inserting in lieu thereof "September 30, 1990".

(b) LIMITATION ON AMOUNT OF INCENTIVE SPECIAL PAY.—Subsection (a) of such section is further amended by adding at the end the following new paragraph:

"(3) Notwithstanding any other provision of law, the amount of incentive special pay under section 302(b) of title 37, United States Code, paid to a medical officer who executes an agreement under paragraph (1) may not exceed $16,000 during each year covered by the agreement."

(c) COVERED OFFICERS.—Subsection (b) of such section is amended—

(1) in paragraph (3), by striking out "; and" and inserting in lieu thereof ", or has completed any active-duty service commitment incurred for medical education and training;"; and

(15) by striking out paragraph (4) and inserting in lieu thereof the following:

"(4) has completed initial residency training (or will complete such training before October 1, 1991); and

"(5) is not pursuing a medical residency or fellowship subsequent to completing initial residency training.".